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**SUBSTITUTE SENATE BILL 5407**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** Senate Committee on Labor, Commerce & Financial Institutions  
(originally sponsored by Senators West, Prentice, Kohl-Welles,  
Gardner and Rasmussen)

READ FIRST TIME 02/26/01.

1       AN ACT Relating to changing provisions relating to the import  
2 of simulcast horse races from out-of-state racing facilities to  
3 class 1 racing associations' live racing facilities; and amending  
4 RCW 67.16.200.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6       **Sec. 1.** RCW 67.16.200 and 2000 c 223 s 1 are each amended to read  
7 as follows:

8       (1) A racing association licensed by the commission to conduct  
9 a race meet may seek approval from the commission to conduct  
10 parimutuel wagering on its program at a satellite location or  
11 locations within the state of Washington. The sale of parimutuel  
12 pools at satellite locations shall be conducted only during the  
13 licensee's race meet and simultaneous to all parimutuel wagering  
14 activity conducted at the licensee's live racing facility in the  
15 state of Washington. The commission's authority to approve  
16 satellite wagering at a particular location is subject to the  
17 following limitations:

18       (a) The commission may approve only one satellite location in

1 each county in the state; however, the commission may grant  
2 approval for more than one licensee to conduct wagering at each  
3 satellite location. A satellite location shall not be operated  
4 within twenty driving miles of any class 1 racing facility. For the  
5 purposes of this section, "driving miles" means miles measured by  
6 the most direct route as determined by the commission; and

7 (b) A licensee shall not conduct satellite wagering at any  
8 satellite location within sixty driving miles of any other racing  
9 facility conducting a live race meet.

10 (2) Subject to local zoning and other land use ordinances, the  
11 commission shall be the sole judge of whether approval to conduct  
12 wagering at a satellite location shall be granted.

13 (3) The licensee shall combine the parimutuel pools of the  
14 satellite location with those of the racing facility for the  
15 purpose of determining odds and computing payoffs. The amount  
16 wagered at the satellite location shall be combined with the  
17 amount wagered at the racing facility for the application of take  
18 out formulas and distribution as provided in RCW 67.16.102,  
19 67.16.105, 67.16.170, and 67.16.175. A satellite extension of the  
20 licensee's racing facility shall be subject to the same  
21 application of the rules of racing as the licensee's racing  
22 facility.

23 (4) Upon written application to the commission, a class 1  
24 racing association may be authorized to transmit simulcasts of  
25 live horse races conducted at its racetrack to locations outside  
26 of the state of Washington approved by the commission and in  
27 accordance with the interstate horse racing act of 1978 (15 U.S.C.  
28 Sec. 3001 to 3007) or any other applicable laws. The commission may  
29 permit parimutuel pools on the simulcast races to be combined in a  
30 common pool. A racing association that transmits simulcasts of its  
31 races to locations outside this state shall pay at least fifty  
32 percent of the fee that it receives for sale of the simulcast  
33 signal to the horsemen's purse account for its live races after  
34 first deducting the actual cost of sending the signal out of  
35 state.

36 (5) Upon written application to the commission, a class 1  
37 racing association may be authorized to transmit simulcasts of  
38 live horse races conducted at its racetrack to licensed racing

1 associations located within the state of Washington and approved  
2 by the commission for the receipt of the simulcasts. The commission  
3 shall permit parimutuel pools on the simulcast races to be  
4 combined in a common pool. The fee for in-state, track-to-track  
5 simulcasts shall be five and one-half percent of the gross  
6 parimutuel receipts generated at the receiving location and  
7 payable to the sending racing association. A racing association  
8 that transmits simulcasts of its races to other licensed racing  
9 associations shall pay at least fifty percent of the fee that it  
10 receives for the simulcast signal to the horsemen's purse account  
11 for its live race meet after first deducting the actual cost of  
12 sending the simulcast signal. A racing association that receives  
13 races simulcast from class 1 racing associations within the state  
14 shall pay at least fifty percent of its share of the parimutuel  
15 receipts to the horsemen's purse account for its live race meet  
16 after first deducting the purchase price and the actual direct  
17 costs of importing the race.

18 (6) A class 1 racing association may be allowed to import  
19 simulcasts of horse races from out-of-state racing facilities.  
20 With the prior approval of the commission, the class 1 racing  
21 association may participate in an interstate common pool and may  
22 change its commission and breakage rates to achieve a common rate  
23 with other participants in the common pool.

24 (a) The class 1 racing association shall make written  
25 application with the commission for permission to import simulcast  
26 horse races for the purpose of parimutuel wagering. Subject to the  
27 terms of this section, the commission is the sole authority in  
28 determining whether to grant approval for an imported simulcast  
29 race.

30 (b) ~~((During the conduct of its race meeting, a class 1 racing  
31 association may be allowed to import no more than one simulcast  
32 race card program during each live race day.))~~ A licensed racing  
33 association may also be approved to import one simulcast race of  
34 regional or national interest on each live race day. ~~((A class 1  
35 racing association may be permitted to import two simulcast  
36 programs on two nonlive race days per each week during its live  
37 meet. A licensee shall not operate parimutuel wagering on more than  
38 five days per week. Parimutuel wagering on imported simulcast~~

1 ~~programs shall only be conducted at the live racing facility of a~~  
2 ~~class 1 racing association.))~~

3 (c) The commission may allow simulcast races of regional or  
4 national interest to be sent to satellite locations. The simulcasts  
5 shall be limited to one per day except for Breeder's Cup special  
6 events day.

7 (d) When open for parimutuel wagering, a class 1 racing  
8 association which imports simulcast races shall also conduct  
9 simulcast parimutuel wagering within its licensed racing enclosure  
10 on all races simulcast from other class 1 racing associations  
11 within the state of Washington.

12 ~~((When not conducting a live race meeting, a class 1 racing~~  
13 ~~association may be approved to conduct simulcast parimutuel~~  
14 ~~wagering on imported simulcast races.))~~ The conduct of  
15 ~~((simulcast))~~ parimutuel wagering on ~~((the))~~ imported simulcast  
16 races shall be for not more than fourteen hours during any twenty-  
17 four hour period, for not more than five days per week and only at  
18 ~~((its))~~ the live racing facility of a class 1 racing association.

19 (f) On any imported simulcast race, the class 1 racing  
20 association shall pay fifty percent of its share of the parimutuel  
21 receipts to the horsemen's purse account for its live race meet  
22 after first deducting the purchase price of the imported race and  
23 the actual costs of importing the race.

24 (7) For purposes of this section, a class 1 racing association  
25 is defined as a licensee approved by the commission to conduct  
26 during each twelve-month period at least forty days of live  
27 racing. If a live race day is canceled due to reasons directly  
28 attributable to acts of God, labor disruptions affecting live race  
29 days but not directly involving the licensee or its employees, or  
30 other circumstances that the commission decides are beyond the  
31 control of the class 1 racing association, then the canceled day  
32 counts toward the forty-day requirement. The commission may by rule  
33 increase the number of live racing days required to maintain class  
34 1 racing association status or make other rules necessary to  
35 implement this section.

36 (8) This section does not establish a new form of gaming in  
37 Washington or allow expanded gaming within the state beyond what  
38 has been previously authorized. Simulcast wagering has been allowed

1 in Washington before April 19, 1997. Therefore, this section does  
2 not allow gaming of any nature or scope that was prohibited before  
3 April 19, 1997. This section is necessary to protect the Washington  
4 equine breeding and racing industries, and in particular those  
5 sectors of these industries that are dependent upon live horse  
6 racing. The purpose of this section is to protect these industries  
7 from adverse economic impacts and to promote fan attendance at  
8 class 1 racing facilities. Therefore, imported simulcast race card  
9 programs shall not be disseminated to any location outside the  
10 live racing facility of the class 1 racing association and a class  
11 1 racing association is strictly prohibited from simulcasting  
12 imported race card programs to any location outside its live  
13 racing facility.

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